

13 October 1961

MEMORANDUM FOR THE RECORD

SUBJECT: Conflicts of Interest

1. I discussed the question of Mr. McCone's financial holdings and their relationship to his appointment as DCI with Mr. Katsenbach, Assistant Attorney General, Office of Legal Counsel, Department of Justice. Mr. Katsenbach's office considered the same question in connection with Mr. McCone's appointment to the AEC and had written a letter to Mr. Sherman Adams, The Assistant to the President, discussing the legal aspects. There was a special statutory provision in connection with the AEC appointment which does not exist in the appointment as DCI.

2. I told Mr. Katsenbach that our present information was that we had no connection with any of the companies in which Mr. McCone had financial holdings and that, therefore, I did not feel there was any problem of conflict of interest. Mr. Katsenbach agreed and said the only point he would like to have brought up was in connection with Mr. McCone's holdings in Joshua Hendy Corporation and Panama Pacific Tankers, Inc. He asked that we bring to Mr. McCone's attention the provisions of the recent Executive Order 10939 on outside activities by Government officials. He did not say that the terms of the Executive Order prohibited stock ownership of this nature but that it was merely for Mr. McCone to consider as to whether such ownership would require such outside activities as to raise a question under the Executive Order.

RECORDED
LAWRENCE R. HOUSTON
(General Counsel)

Orig-DCI

1-DDCI

1-IC

1-OGC chrono

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CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP		
TO	NAME AND ADDRESS	INITIALS
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ACTION	DIRECT REPLY	PREPARE REPLY
APPROVAL	DISPATCH	RECOMMENDATION
COMMENT	FILE	RETURN
CONCURRENCE	INFORMATION	SIGNATURE
Remarks: Attached is the Contact Division report on its relations with companies in which Mr. McCone has financial interests.		
SIGNATURE <i>LR Houston</i>		
FOLD HERE TO RETURN TO SENDER		
FROM: NAME, ADDRESS AND PHONE NO.		DATE
General Counsel 221 East		10/27/61
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FORM NO. 237
1 APR 65Replaces Form 30-4
which may be used.

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